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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0041 Domestic and export prices continued their downward trend. However, the strengthening Thai baht and last week's tender cancellation prevented further price declines.

Post:

Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Mar. 2, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
FWR 100 B	970	-	1,000	-	1,000	975	-	986	983
WR 100 B	525	-	560	-	560	535	550	546	556
PB 100%	530	-	575	-	570	550	580	561	570
PB 5%	525	-	565	-	565	545	575	555	565
WR 5%	485	-	520	-	530	505	540	516	532
WR 10%	480	-	510	-	520	500	-	503	519
WR 15%	460	-	495	-	-	485	-	480	497
WR 25%	445	-	465	-	-	460	-	457	470
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	375	-	400	-	400	390	-	391	404
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 32.7 baht/US \$

Source: Average actual prices received from exporters

Domestic and export prices continued their downward trend. However, the strengthening Thai baht to 32.7 baht/\$ from 33.0 baht/\$ and last week's tender cancellation of 501,849 tons of MY2007/08 – MY2008/09 intervention stocks prevented further price declines. The Government has suspended any plans of future stock releases due to mounting concerns of sharp reductions in domestic prices, particularly as new second-crop supplies are coming into the market. In addition, the Government will implement the direct purchase program, a measure instituted last year to stabilize domestic prices (See GAIN report [TH9161](#)) in which the Government bought white rice paddy(700 tons out of an allowance allowance of 2.0 million tons) up to the point where benchmark prices surpassed insurance prices.

This direct purchase program is being financed through the Bank for Agriculture and Agricultural Cooperatives (BAAC), which will provide a credit line of 20 billion baht (\$606 million) to the Public Warehouse Organization (PWO) and the Marketing Organization for Farmers (MOF) to purchase paddy from farmers at benchmark prices. Benchmark prices of 5% grade white rice paddy are currently at 9,074 baht/ton (\$275/MT).

The biweekly benchmark prices of MY2009/10 second-crop white rice for March 1-15, 2010 were lower than the previous period, as such farmers who sell in this period will receive a higher compensation. Further reduction in benchmark prices is unlikely as the government will have implemented the direct purchase program which will help stabilize domestic prices.

Table 2: Price Insurance Scheme for MY2009/2010 rice crop

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{c/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/}					
Jan. 1-15, 2010	15,369	14,757	12,198	11,706	10,072
Jan. 16-31, 2010	15,073	14,548	12,076	11,486	10,164
Feb. 1-15, 2010	14,915	14,359	12,004	11,511	9,993
Feb. 16-28, 2010	14,796	14,148	11,824	11,207	9,886
Mar. 1-15, 2010	-	-	11,313	10,665	9,074
4. Compensation (1-2), (Baht/ton)					
Jan. 1-15, 2010	-	-	-	-	-
Jan. 16-31, 2010	227	-	-	-	-
Feb. 1-15, 2010	385	-	-	-	7
Feb. 16-28, 2010	504	152	-	-	114
Mar. 1-15, 2010	-	-	-	-	926
5. Market prices (Baht/ton)					
Jan. 1-15	15,250	14,000	11,850	11,775	9,350
Jan. 16-3	15,250	14,000	11,850	11,750	10,250
Feb. 1-15	15,025	14,000	11,750	11,800	10,250
Feb. 16-28	14,700	13,900	11,500	11,125	9,400

Note:

^{a/} Cabinet approval on Sep. 22, 2009

^{b/} The benchmark prices will be published twice a month on the 1st and 16th, based on average historical wholesale prices of the last 15 days in Bangkok. These prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary of Ministry of Commerce.

^{c/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for February 22-28, 2010 totaled 157,915 up 18,732 tons from the previous week, and up 28,520 tons from the four-week moving average of 129,395 tons. Exports of white rice and parboiled rice during January 1 – February 28, 2010 totaled 1,043,483 tons, up 18.6 percent from 879,949 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – February 18, 2010 amounted to 1,147,875 tons, up 7.9 percent from 1,064,224 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4 WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Dec 13	116,586	96,490	5,623	7,258	-22.5
Dec 20	120,454	98,161	5,743	7,348	-21.8
Dec 27	126,910	111,113	5,870	7,453	-21.2
Dec 31, 2009	25,812	97,440	5,900	7,470	-21.1
Jan 3, 2010	1,000	-	1	3	-68.0
Jan 10	111,299	-	112	85	32.6
Jan 17	171,849	-	284	211	34.8
Jan 24	137,308	105,364	422	353	19.5
Jan 31	104,448	131,226	526	428	22.9
Feb 7	98,535	128,035	624	545	14.7
Feb 14	121,947	115,559	746	654	14.1
Feb 21	139,182	116,028	886	783	13.1
Feb 28	157,915	129,395	1,043	880	18.6

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales

Movement (MT)	Feb. 8-12	Feb. 15-19 (Revised)	Feb. 22-26 (Preliminary)
Weekly sales	233,402	182,811	146,392
4 week sum	560,568	570,961	659,530
4 week mov. avg.	140,142	142,740	164,883
Total weekly sales	901,618	1,084,429	1,230,821

End of report.